

A Critical Review of the Effect of Irregular Expenditure on Service Delivery in South Africa

Wiston Mbhazima Baloyi*

Independent Researcher, Polokwane, Limpopo Province, South Africa

*Corresponding Author

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ABSTRACT

Service delivery presents a considerable challenge on a global scale, impacting the livelihoods and well-being of communities. The increasing demand for public services necessitates that governments not only disburse resources (including financial assets) efficiently, but also monitor their administration. Although protests related to service delivery persist in most emerging economies, such as South Africa, limited efforts have been made to alter the *status quo*. Furthermore, while the conventional bureaucratic paradigm in the public sector has been linked to corruption, it has also significantly impeded service delivery. This study aims to critically examine the impact of irregular expenditure on service delivery within South Africa. Underpinned by an interpretivist worldview, the research adopts a qualitative methodology through document analysis. In addition to grey literature obtained from government websites, relevant studies (i.e., peer-reviewed journal articles, conference papers, and academic books) were sourced from the Web of Science scholarly database. Findings indicate that factors such as fund mismanagement, non-compliance with laws and regulations, corruption and fraud, and skills deficits obstruct effective service delivery. Moreover, the results suggest strategies for improvement, including enhanced public-sector governance, digitalization of services, and prudent resource deployment and management. This research provides valuable insights into the existing body of knowledge by proposing actionable strategies for governments seeking to enhance service delivery. Policymakers, strategists and decision-makers within the public sector are encouraged to consider the implications of this study for future policy development.

Keywords: Irregular expenditure, Service delivery, Public services, Citizens, Basic services, Document review, South Africa

INTRODUCTION

Globally, with the imminent conclusion of the National Development Plan and Vision 2030, governments are under pressure to expedite service delivery to citizens to achieve the Sustainable Development Goals (SDGs), such as poverty alleviation (United Nations Development Program [UNDP], 2023). From this viewpoint, South Africa is also not exempt from attaining these objectives (Baloyi, 2025b). While service delivery remains central to the operations of all government institutions across the three spheres (national, provincial and local) in South Africa, scholarly discourse confirms that irregular expenditure has increasingly emerged as a significant obstacle to the realization of these services (Thusi & Selepe, 2023; Baloyi & Beyers, 2019; Motsitsi & Hendriks, 2023). Supporting this assertion, the most recent audit report (for the 2023/2024 financial year) by the Auditor-General of South Africa (AGSA) indicates that irregular expenditure (i.e., spending in contravention of laws and regulations) amounted to 60%, totaling R406,83 billion over the five years (AGSA, 2024). Principal among the issues, this suggests that a substantial portion of funds intended for effective service delivery remains unaccounted for. Consequently, in light of the aforementioned deliberations, a critical examination of the impact of irregular expenditure on service delivery in South Africa is of utmost importance.

The South African government regards supply chain management (SCM) processes as a principal mechanism for procuring goods and services from the numerous service providers (Baloyi & Beyers, 2019). These

procurements encompass activities such as housing construction (Reconstruction Development Plan [RDP], procurement of medical equipment, and infrastructure projects, including roads, dams, hospitals, police stations, and schools, *inter alia*. However, irregular expenditure is a pandemic in the South African public sector, across municipalities and departments (Fourie, 2018; Mlambo et al., 2022). Accordingly, SCM significantly contributes to irregular expenditure within these institutions across South Africa, primarily due to non-compliance with relevant legislation and unethical practices (Thusi & Selepe, 2023). Although various regulations governing SCM practices, such as the Preferential Procurement Policy Framework Act (PPPFA), have been enacted, non-compliance remains a persistent issue across all three spheres of government. For example, while the procurement process is designed to be equitable and transparent, the policy also seeks to address the barriers faced by historically disadvantaged individuals, specifically Black Economic Empowerment (BEE), aiming to redress social disparities, including issues related to the unfair bid allocations (Sibanda & Tshikovhi, 2022).

Despite 31 years of democracy, marked by the sixth administration, South Africa continues to grapple with significant social challenges pertaining to service delivery (Kgarose, 2023). Notwithstanding the implementation of public financial management reforms aimed at enhancing executives' awareness of the transformation in public finance management and fostering innovation to adapt to the continuously evolving business environment, these reforms have largely failed to produce the intended results (Fourie & Malan, 2020; Motsitsi & Hendriks, 2023). Recurrent service delivery protests predominantly represent a substantial threat to both the government and the populace, as acts of vandalism against state property not only obstruct service delivery but also entail additional financial costs (AGSA, 2024; Baloyi & Beyers, 2019). Public servants adversely influence service delivery through irregular expenditure, while citizens also contribute negatively by damaging state goods intended to facilitate public services (Mishi et al., 2022). In light of these considerations and scholarly arguments, the study seeks to critically examine the impact of irregular expenditure on service delivery in South Africa. To fulfil this primary aim, the following secondary objectives are articulated.

- To identify factors that affect service delivery to the citizens.
- To suggest strategies that can reduce irregular expenditure and enhance service delivery by the South African government.

LITERATURE REVIEW

This section underscores the extensive literature review on irregular expenditure and service delivery. It begins with the theoretical framework underpinning the study, followed by the clarification of the concepts, and then discusses the association between irregular expenditure and service delivery.

The theoretical grounding

This scholarly investigation is grounded in agency theory, a neoclassical model that emphasizes the relationship between two parties: the principal and the agent (Shapiro, 2005). Essentially, agency theory tackles the challenges organizations face, specifically those related to principal-agent relationships, in their pursuit of mutually acceptable resolutions to technical issues (Panda & Leepsa, 2017). The feasibility of this theory is rooted in its ability to implement governance tools and improve decision-making processes to oversee the agent's conduct in collaboration with the principal. As articulated by Bendickson et al. (2016:176), "agency theory is based on the relationship between one party, the principal, who designates certain tasks and decisions to another party, the agent. The focus of agency theory stems from assumptions that the agent will behave opportunistically, particularly if their interests conflict with the principal". Even so, divergent interests among these parties may create an agency dilemma. Such interests can be effectively addressed by employing strategies that aim to resolve the conflict for the benefit of all parties (Bendickson et al., 2016). For instance, conflicts (e.g., corruption) related to service delivery between government authorities (as agents) and citizens (as principals) can be managed constructively rather than through destructive acts, such as vandalism of state property, which reverses the progress made.

Defining irregular expenditure and service delivery

According to the Public Finance Management Act (PFMA) (1999:8), irregular expenditure is defined as “expenditure, other than unauthorized expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including (a) this Act; or (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or (c) any provincial legislation providing for procurement procedures in that provincial government”. Aside from the legislation highlighted above, contravention of applicable legislation also encompasses the Treasury Regulations, the PPPFA, Provincial and National Treasury Instruction Notes, and SCM policies and procedures that guide the procurement processes. Notably, irregular expenditure has been regarded as a catastrophe and impediment to efficient service delivery to citizens and a multitude of stakeholders in South Africa (Zungu et al., 2025). More to that, accounting officers bear the responsibility and accountability not only for preventing potential irregular expenditure but also for addressing unauthorized (i.e., expenditure exceeding the budget), and fruitless and wasteful expenditure (i.e., avoidable expenditure) in managing departmental mandates (PFMA, 1999).

Conversely, service delivery, as articulated by Baloyi and Beyers (2019:465), pertains to “the implementation of public policies aimed at providing services to the citizens”. Alternatively, Akpan (2019:1120) characterizes service delivery as “the provision of public goods which are tangible, and services which are intangible and are difficult for the private sector to produce”. Although there is no universally accepted or collective definition of service delivery in the academic literature, the concept primarily refers to the provision of basic needs to citizens and other stakeholders. These needs include, but are not limited to, education, water, housing, electricity, sanitation, social services, healthcare services, and transportation infrastructure (Sambo, 2019). So, it is the government's responsibility to ensure that these services are provided.

The nexus between irregular expenditure and service delivery

The association between irregular expenditure and service delivery has gained popularity in academic discourse (see, for example, Nabane et al., 2024; Tickle, 2018; Thusi & Selepe, 2023). As such, their linkage cannot be dichotomized. That being the case, irregular expenditure resulting from non-compliance with SCM policies continues to emerge in the public sector without remedial action, thereby hindering progress in service delivery (Baloyi & Beyers, 2019). Since service delivery is at the heart of every government, the burgeoning incidence of irregular expenditure has been the primary obstruction within the public sector, disrupting services to citizens (Mishi et al., 2022). Despite the persistent emergence of irregular expenditure in the public sector, it is argued that consequences management (as a remedial action) is not being imposed on the perpetrators (Hasani & Munzhedzi, 2024; AGSA, 2023). Further to this, the absence of financial governance mechanisms (in the form of structures) and other oversight bodies has been identified as a significant contributor to the growing irregular expenditure by governments, particularly in emerging economies (Phakathi et al., 2024).

A strand of literature suggests that the scarcity of financial management competencies among public officials remains a hindrance to effective service delivery, thereby exacerbating irregular expenditure (Motsitsi & Hendriks, 2023; Baloyi & Beyers, 2019). Despite this being a burning issue, government executives fail to prioritize the training and development of public officials. Additionally, while most of these executives are products of cadre deployment within government and are often unaware of public finance affairs, it is not surprising that there are increasing acts of corruption and fraudulent activities, including bribery, embezzlement, nepotism, extortion, and other related activities, due to the manipulation of SCM policies (Zungu et al., 2025). The lack of human capacity-building strategies and weak internal control systems have been detrimental to government institutions, leading to non-compliance, financial mismanagement, and maladministration (Hasani & Munzhedzi, 2024).

Politics plays an adverse role in the public sector. Consequently, the bureaucratic mode of operation, driven by political interference, contributes to the making of illegitimate decisions in the public sector, including in financial management and budgeting (Baloyi & Beyers, 2019). Rather than focusing on nurturing citizens' well-being, politicians continue to pursue their self-interests by making compromising decisions and behaving unethically, thereby weakening the governance perspective within the public sector (Mlambo et al., 2022).

This is supported by Fourie (2018:4), who opines that “while corrupt individuals with political power enjoy a lavish life, millions of Africans are deprived of their basic needs like food, health, education, housing, access to clean water and sanitation”. The absence of accountability by executives in the public administration, including financial accountability for expenditures (i.e., irregular, unauthorized, and fruitless and wasteful expenditure), creates an unfavorable environment and derails the provision of basic services to citizens.

Cases relating to service delivery in South Africa

Despite having vibrant constitutional reforms after apartheid, research shows that South Africa has been ranked among the most corrupt countries in the world (Bester & Dobovsek, 2021; Mabeba, 2021). In other words, corruption has deeply infiltrated the South African public sector, thus impacting service delivery. As an emerging economy country, a number of service delivery cases are evident in South Africa. However, one of the most brutal protests and socio-political turbulence (see Figure 1) was the widespread looting of retail shops in two provinces, namely Gauteng and KwaZulu-Natal, in 2021. Those shops were vandalized to the point that citizens looted many products, particularly from grocery and clothing stores (see Figure 2), causing substantial economic and infrastructural damage in those areas. Accordingly, the fundamental thrust that sparked these protests and socio-political turbulence in KwaZulu-Natal was due to the alleged incarceration of the former President of the Republic of South Africa, Jacob Gedleyihlekisa Zuma (Vhumbunu, 2021). The alleged jailing of the former President was due to the outcome of the Zondo Commission’s report. For instance, the current President, Cyril Matamela Ramaphosa, appointed the Zondo Commission in 2018 to investigate matters relating to State Capture during the tenure of the former President (Vhumbunu, 2021). Based on the findings of the examination, the former President was found guilty and liable to imprisonment for corruption, maladministration and fraud, as well as for State Capture with the Guptas. To this end, it is contended that, among all the former Presidents of the Republic of South Africa, namely Nelson Rolihlahla Mandela and Thabo Mbeki, President Zuma was the most corrupt during the post-apartheid era. This was evident in the country’s poor economy (i.e., junk status) and the widening unemployment gap (Madonsela, 2019).



Figure 1: Activists demonstrate through the streets following the incarceration of former South African President Jacob Zuma. Adapted from Vhumbunu (2021).

During those service delivery protests and social unrest, protesters have targeted hypermarkets and other large supermarkets, including Shoprite Group, leaving most retail companies in a compromised position. It is corroborated that “the enabling factors, which may qualify as the root causes of the July 2021 protests and looting, center around challenges faced by the state to address the problems of poverty, unemployment, and inequality as these often create portions of communities that are economically disenfranchised, desperate and marginalized” (Vhumbunu, 2021:9).

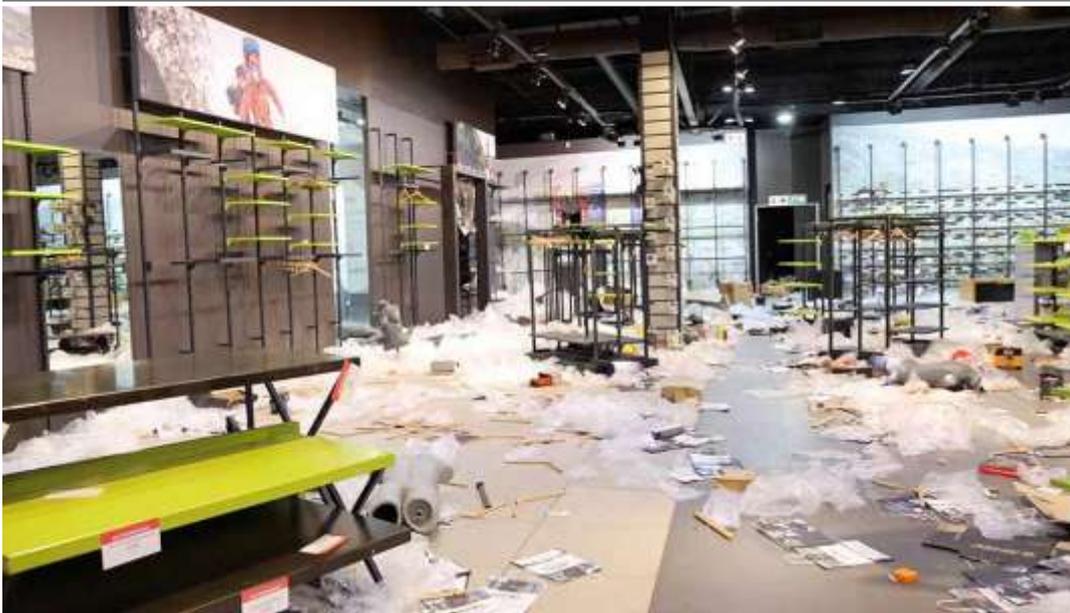


Figure 2: Extensive damage inside a shopping mall in Durban, following the July 2021 rioting and looting. Adapted from Vhumbunu (2021).

Notwithstanding the evidence delineated above, municipalities in South Africa are overwhelmed by service delivery challenges (AGSA, 2025; Matyana & Sibiya, 2025). Regarding pandemic corruption in relation to service delivery, it is reiterated that South African municipalities are always at the forefront of the media platform (Mabeba, 2021). Unethical practices and behaviours, among others, are cited as impediments to the proper delivery of services because officials are increasingly engaged in corrupt activities for their self-gain (Mamokhere & Thusi, 2024; Thusi & Selepe, 2023), while at the same time committing irregular expenditure (Baloyi & Beyers, 2019). For instance, since some municipalities have the authority to raise revenue through basic services (water, electricity, and rates), service delivery to people should not be a principal issue; however, given the rising incidence of corruption by public officials, the opposite is true (Mabeba, 2021). Scholars emphasize that cadre deployment (i.e., political appointment) within the departments and municipalities in South Africa is a catastrophic concern underlying failures in the delivery of services to the citizens (Zungu et al., 2025; Mlambo et al., 2022; Adanlawo & Chaka, 2024), resulting in poor performance in most of these institutions (Mishi et al., 2022; Mamokhere & Thusi, 2024).

RESEARCH METHODOLOGY

Rooted in an interpretivist worldview, the research employs a qualitative methodology utilizing a document review technique to critically analyze the impact of irregular expenditure on service delivery in South Africa. In essence, a document review is defined as “a systematic procedure for reviewing or evaluating documents, both printed and electronic material” (Armstrong, 2021:1). The rationale for adopting the document review method lies in its capacity to enhance transparency, credibility, and reliability within scholarly discourses. The advantages of this technique include, but are not limited to: (1) its focus on existing content, requiring only an ethical waiver; (2) its cost-effectiveness and the time savings it affords compared to primary data collection; and (3) its reliance on readily accessible electronic data, which can mitigate researcher bias compared to primary data collection methods such as interviews or focus groups (Armstrong, 2021).

The search process for studies on the Web of Science involved several key concepts and phrases related to the study. All pertinent concepts, including “*irregular expenditure*,” “*service delivery*,” “*public services*,” “*citizens*,” “*basic services*”, “*document review*,” “*financial management*,” and “*South Africa*,” were incorporated into the search strings. Considering the research context and recognizing that service delivery remains a primary concern for citizens in South Africa, studies published between 2018 and 2025 were deemed eligible for inclusion. To facilitate effective data management, the EndNote Referencing Tool was employed to identify and eliminate duplicate studies and to generate a comprehensive work file. In addition to grey literature, peer-reviewed journal articles, conference papers, and academic books were also included.

Following an extensive review of studies listed in the Web of Science, a thorough screening procedure was conducted. The rigorous process involved assessing abstracts prior to the evaluation of full-text studies. The primary aim of this screening was to identify relationships, patterns, and recurring themes concerning the impact of irregular expenditure on service delivery. In accordance with the eligibility criteria, comprising inclusion and exclusion requirements, only studies published in English within the public sector milieu were considered. Irrelevant, duplicate, non-abstract, and non-English studies were consequently excluded. Throughout the screening process, two independent reviewers were engaged to enhance data reliability and mitigate any potential bias in the selection process of the eligible studies. Any minor disagreements in opinions between the reviewers were thoroughly deliberated and mutually agreed upon, thereby reaching a consensus.

The quality assessment of relevant studies was conducted. In other words, studies were carefully and meticulously appraised to ascertain their attribute while maintaining academic integrity. The entire process helped identify studies that could make a significant contribution to achieving the primary objective. Additionally, to ensure the quality of the selected studies, only the Web of Science database was considered. The requirements for evaluating the quality of studies (as in Table 1) include the following:

Table 1: Quality evaluation (QE)

Tag	Elucidation	Answer
QE1	Does the study clearly highlight the main purpose, as indicated by the title?	Yes = 1, moderate = 0.5 and No = 0.
QE2	Is the abstract concise, informative and also highlights the key elements?	
QE3	Are the secondary or subsidiary objectives of the study relevant and achievable, such as the primary objective?	
QE4	Is the theoretical framework underpinning the study linked to the problem statement?	
QE5	Are the research methods employed clearly illuminated and justified for their feasibility?	
QE6	Are the research results responding to both primary and objectives and clearly accentuating practical implications and recommendations?	

DISCUSSION OF RESEARCH FINDINGS FROM DOCUMENT REVIEW

The study sought to critically examine the impact of irregular expenditure on service delivery in South Africa. The following findings are drawn from scholarly debates through document review.

Factors affecting service delivery

The following interwoven factors affecting service delivery were identified through the document review, including mismanagement of funds, non-compliance with laws and regulations, corruption and fraudulent activities, and skills deficits.

Mismanagement of funds

Recent research indicates that irregular expenditure and mismanagement of funds are significant factors that hinder effective service delivery in South Africa (Zungu et al., 2025; Nabane et al., 2024; Hasani & Munzhedzi, 2024). Mamokhere and Thusi (2024) assert that, among other issues, the mismanagement of funds in South Africa impedes economic growth, adversely impacts the efficient allocation of resources, and disrupts public services for citizens. All things considered, the mismanagement of funds becomes increasingly apparent

in the public sector, driven by ongoing corruption and the embezzlement of funds by public officials seeking personal enrichment at the expense of governmental resources and taxpayers (Baloyi & Beyers, 2019). This represents a common challenge that contributes to the escalation of irregular expenditures and adverse audit outcomes by the AGSA across all levels of government in emerging economies such as South Africa (Matyana & Sibiyana, 2025; Nabane et al., 2024).

Non-compliance with laws and regulations

Unwanted expenditures (i.e., irregular, unauthorized, and fruitless and wasteful expenditures) persist primarily because of high levels of non-compliance with legislation (Fourie & Malan, 2020). Specifically, non-compliance with applicable laws and regulations (e.g., PPPFA) governing the internal processes and operations is rife in the SCM context (Sibanda & Tshikovhi, 2022). For example, although the South African government enacts comprehensive prescripts and legislation intended to direct all mandates of institutions (both municipalities and departments), regrettably, continued non-compliance with these prescripts by public officials is pervasive (Nabane et al., 2024). This perspective is in line with the audit report by AGSA (2024:9), which states that “in total, 63% of auditees had findings on non-compliance with procurement and contract management legislation in 2023-24; findings at 23% of auditees were material”. More importantly, the lack of institutional disciplines and controls (e.g., consequences management) results in a biased and uncompetitive SCM bid process, which frequently leads to the non-delivery of goods and services or to late delivery of inferior goods by service providers.

Corruption and fraudulent activities

Corrupt and fraudulent activities have become commonplace and prevalent in numerous public sectors worldwide, including South Africa (Matyana & Sibiyana, 2025). This is demonstrated through persistent service delivery protests, political instability, and frequent changes in political leadership. It is argued that ongoing corruption and the manipulation of systems exacerbate organizational deficiencies in service provision to communities. At the same time, the abuse of authority by public officials, especially management and leadership, is said to taint the public sector’s systems and processes, particularly SCM procedures, for personal gain (Mamokhere & Thusi, 2024). For example, corruption often occurs due to inconsistencies in the SCM bidding and tendering processes, which favor certain public officials and politicians, thereby undermining public trust (Fourie, 2018; Tickle, 2018). Most critically, the KPMG Report (2017) emphasizes that the repercussions of corrupt activities have significant adverse outcomes on society’s social well-being, notably impacting income and asset distribution of the country, economic development and environmental sustainability.

Skills deficits

An excessive reliance on external experts (i.e., consultants), particularly among municipalities, underscores the need for these institutions to invest in staff’s skill transfer and financial education through extensive training and development, both internal and external (AGSA, 2023). In addition to the SCM irregularities encountered, the dependence on external experts intensifies skill deficits within municipalities, as there are insufficient competencies in budget planning and financial reporting (AGSA, 2025). Even though not all municipalities in South Africa are over-reliant on external experts, it was found that approximately 62% of financial management divisions depend on them. In comparison, roughly 7% of those experts handle staff recruitment and selection processes (Matyana & Sibiyana, 2025, as cited in AGSA). It is corroborated that the absence of appropriate competencies (skills gaps) in the South African public sector remains the fundamental challenge not only for the municipalities but also for provincial and national departments (AGSA, 2024).

Organizational strategies for enhancing service delivery

This study suggests the following organizational strategies to enhance service delivery in the South African public sector.

Enhance the public sector's governance

Globally, public-sector governance remains a fundamental concern for many governments. Yet robust governance systems and structures are pivotal for strengthening financial management and ethical behavior among public officials while minimizing political interference (Baloyi & Beyers, 2019). Although governance systems and practices in South Africa after the post-apartheid regime have been significantly transformed and improved, institutions remain beset by anomalies in most provinces and municipalities across the country and have not achieved the desired outcomes (Department of Planning, Monitoring and Evaluation [DPME], 2014). This is consistent with the views of AGSA, as cited by Mlambo (2022), who contends that more than half of the national departments in South Africa are prone to governance deficits, mainly due to cadre deployment and the absence of consequence management, which contribute to a lack of accountability and transparency of public funds. Alongside this state, the formation, implementation and evaluation of different governance structures and oversight bodies, such as corporate governance, financial governance and the District Development Model (DDM), are essential for remedying the maladministration currently overwhelming the South African public sector, which negatively impacts service delivery (Mamokhere & Kgobe, 2023). Therefore, upholding integrated governance across government spheres and ensuring inclusive collaboration with diverse role-players becomes imperative for nurturing good governance in the public sector (DPME, 2014).

Digitalization of services

The global perspective is driving a sweeping transformation, compelling governments to adopt digital technologies (e.g., artificial intelligence [AI], the internet of things [IoT], big data, and cloud computing) to deliver public services and thrive in the digital economy (Kalampokis et al., 2023; Ehiane et al., 2024). While the COVID-19 pandemic has accelerated the integration of these technologies into public-sector processes, the South African government is not immune to these transitions (Modiba, 2024). Furthermore, although emerging economies like South Africa are beset by the triple scourge (e.g., inequality, poverty and unemployment) and other social disparities (e.g., the digital divide), adopting digital technologies is important for delivering streamlined public services (Baloyi, 2025a). Additionally, as pressure to deliver efficient services in the public sector increases, digital transformation has spread across public services worldwide, replacing traditional modes of operation (Baloyi, 2025b). For example, official meetings and recruitment interviews are now held on virtual platforms (e.g., Microsoft Teams, Zoom and Google Meetings). Most importantly, in tertiary education, virtual lecturing has led to tests and examinations being written online not only for distance-learning candidates but also for residential (in-person) students (Aristeidou et al., 2024). These tremendous changes cannot be overstretched if the South African public sector considers digitalizing its services to promote effective and efficient service delivery.

Sound resource deployment and management

The South African public sector (including municipalities) is inundated with complex problems, such as unwanted expenditures, fraud and corruption, that create a substantial gap in resource disbursement and management (Mamokhere & Thusi, 2024). However, this results from the lack of stringent internal control procedures to regulate the workflow. To this end, notwithstanding the imperative of resource availability (e.g., human, financial, and technical) for running public sector business activities, the mismanagement of those resources is a focal point in the non-achievement of strategic goals and other performance outcomes, including service delivery (AGSA, 2025). Moreover, although resources play an integral role in providing services to citizens and other recipients, misappropriation of funds is increasingly permeating the public sector, as public officials continue to engage in corrupt activities for their personal benefit through SCM processes (Baloyi & Beyers, 2019; Fourie, 2018). For example, the cadre deployment by politicians can influence the ruling party, and, in some cases, due to the abuse of power, funds are paid to support party activities, particularly during rallies and campaigns (Mlambo et al., 2022).

Practical Implications

The findings of this study provide policymakers, managers, strategists, and decision-makers with an

invaluable, actionable understanding, underscoring key strategies to curb irregular expenditure in the public sector and enhance service delivery to citizens. A fundamental takeaway for executives in the public sector is the significance of strengthening compliance with applicable legislation to address mismanagement of funds and completely eliminate irregular expenditure. The study also identifies organizational strategies to mitigate irregular expenditure while improving public services. These include enhanced public-sector governance, the digitalization of services, and sound resource deployment and management. The identified factors affecting service delivery serve as an eye-opener for the management and leadership of public institutions in the South African government.

Additionally, managers and executives should be mindful of changing business circumstances that demand adjustments to public-sector business processes and systems. For instance, the proliferating need to assimilate digital technologies (e.g., AI, the IoT, cloud computing, and big data) into value chain activities is integral to delivering seamless, efficient, and cost-effective public services in the digital landscape. Although digital technologies are susceptible to potential obstacles (such as infrastructural deficits, job displacement, unreliable internet connectivity, and a scarcity of digital competencies) (Baloyi, 2025b), integrating these technologies into education systems (e-learning), municipal services (e.g., e-services), healthcare (e.g., e-health), and home affairs (e.g., Automated Biometric Identification System) can drastically improve public services. Notably, policymakers and decision-makers should take into account the findings of this study regarding the significance of agency theory, that is, principal-agent relationships. Lastly, it is vital to continue consulting with citizens through engagement and participation to deliver public services that are tailored to the current era.

CONCLUSIONS AND RECOMMENDATIONS

This study sought to critically examine the impact of irregular expenditure on service delivery within South Africa. Aside from unauthorized and fruitless/wasteful expenditures, irregular expenditure is the most significant contributor to financial malpractice and mismanagement in the public sector (Baloyi & Beyers, 2019). This study employed agency theory, a neoclassical model, to investigate the research problem. The study identified factors affecting service delivery, including mismanagement of funds, non-compliance with laws and regulations, corruption, and fraudulent activities, as well as skills gaps. Despite these factors, one of the major challenges hampering the effective operation of the public sector is bureaucracy, characterized by a lack of accountability, slow decision-making, and long turnaround times for document processing. On top of that, political interference and cadre deployment can disrupt the delivery of services to citizens and the attainment of the government's mandates.

This study proposed organizational strategies that can be implemented to reduce irregular expenditure and enhance service delivery, including enhanced public sector governance, the digitalization of services and sound resource deployment and management. If implemented effectively, these strategies can reduce the overwhelming irregular expenditure faced by South African public sector institutions. Strict compliance with laws and regulations, such as the PFMA, the PPPFA, Treasury Regulations, and other SCM procedures, can streamline procurement processes and thereby reduce irregular expenditure.

The following recommendations are suggested to curb irregular expenditure and improve public services to citizens and several stakeholders:

- Governments should strengthen their governance mechanisms to enhance transparency and accountability in service provision. By so doing, political interference and conventional *modus operandi* can be significantly reduced.
- Governments should invest in financial management training, development and reskilling of public officials to prevent any possible irregular expenditure and other forms of mismanagement of funds that could occur in the future.
- Most importantly, integrating digital technologies into public services can help increase efficiency, improve productivity, reduce costs related to operations, and streamline processes, as users can access those services conveniently while at the same time diminishing bureaucratic operations and the red tape approach.

- The public sector should strengthen the SCM processes by enforcing compliance with applicable laws and regulations (e.g., PPPFA, Treasury Regulations, PFMA, and any other related policies) to improve the audit outcomes of the public institutions and simultaneously enhance its reputation and maintain public trust.
- The deployment of scarce resources and the reprioritization of financial budgets towards the core business of public institutions can leverage strategic mandates, thereby sustainably promoting service delivery.
- Governments should develop and implement anti-corruption policies and strategies (including whistleblowing) to reduce corrupt activities happening in the public sector and promote ethical practices in SCM processes.
- A mandatory consequence management, which is fair, non-biased and equitable (free from favouritism and nepotism), should be reinforced, and proper disciplinary actions should be instituted against the perpetrators.
- Continuous monitoring and evaluation of institutions' operational and strategic performance is pivotal in identifying possible gaps that require further improvements in meeting the core mandates of the public institutions.
- The development and implementation of audit action plans can help address audit findings on time and avoid regression in terms of public institutions' audit outcomes, which are mostly unfavorable in the eyes of citizens and other stakeholders.
- The acquisition and implementation of a sound framework for SCM processes (i.e., demand, contract, procurement, logistics, warehouse, and asset management) and financial management systems, and strong delegation of authority to public officials, is crucial in overcoming improper administration of government businesses.
- Conduct regular risk assessment to detect, mitigate and monitor any potential risks relating to irregular expenditure that may emerge within the public institutions. At the same time, implement internal control systems and measures to deal with the identified irregular expenditure risks.
- Design and execute a compulsory checklist for all SCM processes to enhance adherence to applicable laws and regulations (the PFMA, Treasury Regulations, the PPPFA, and other procedures) governing the public sector.

Conflict of Interest

The author declares that he has no financial or personal relationships that may have inappropriately influenced him in writing this article.

Statement of Ethical Approval

The present research work does not include any studies involving human or animal subjects.

Data Availability

The author confirms that the data supporting the findings of this study are available in the article and the references.

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